



State of Utah
Financial Highlights
Fiscal Year Ended June 30, 2004

Utah!
Where ideas connect

GENERAL FUND SURPLUS	\$ 16,359,000
PERCENTAGE OF GENERAL FUND BUDGET.....	0.94%
UNIFORM SCHOOL FUND SURPLUS.....	\$ 38,001,000
PERCENTAGE OF UNIFORM SCHOOL FUND BUDGET	2.08%

MAJOR STATE REVENUE SOURCES

(Does not include federal and restricted revenues unless indicated)

	<u>Fiscal 2004</u>	<u>Fiscal 2003</u>	<u>Percent Change</u>
General Fund			
Sales Tax	\$ 1,501,938,000	\$ 1,443,974,000	4.0 %
Licenses, Fees and Permits	\$ 18,131,000	\$ 17,762,000	2.1 %
Cigarette, Tobacco and Beer Taxes	\$ 62,813,000	\$ 54,214,000	15.9 %
Mineral Lease (Federal)	\$ 67,216,000	\$ 46,335,000	45.1 %
Insurance Premium Tax	\$ 62,424,000	\$ 58,989,000	5.8 %
Mining, Oil and Gas Taxes	\$ 42,686,000	\$ 32,579,000	31.0 %
Investment Income.....	\$ 5,505,000	\$ 6,471,000	(14.9)%
Liquor Profit.....	\$ 36,427,000	\$ 33,168,000	9.8 %
Jobs and Growth Relief Federal Appropriation (Federal) ...	\$ 37,970,000	\$ 37,970,000	0.0 %
Uniform School Fund			
Individual Income Tax.....	\$ 1,699,638,000	\$ 1,575,486,000	7.9 %
Corporate Franchise and Gross Receipts Taxes.....	\$ 162,860,000	\$ 160,522,000	1.5 %
State Sales Tax Restricted			
For Local Government Highways, Water Loans, Conservation and Other Programs	\$ 42,041,000	\$ 32,633,000	28.8 %

MAJOR PROGRAMS

(Includes expenditures from federal and restricted revenue sources)

	<u>Fiscal 2004 Expenditures</u>	<u>Fiscal 2003 Expenditures</u>	<u>Percent Change</u>
Public Education.....			
Higher Education	\$ 922,340,000	\$ 895,583,000	3.0 %
Health – Medical Assistance.....	\$ 1,274,428,000	\$ 1,100,163,000	15.8 %
Workforce Services.....	\$ 398,542,000	\$ 369,473,000	7.9 %
Corrections (Adult)	\$ 187,656,000	\$ 177,170,000	5.9 %
Human Services – Child and Family Services	\$ 127,707,000	\$ 120,430,000	6.0 %
Human Services – People with Disabilities	\$ 153,194,000	\$ 147,084,000	4.2 %
Natural Resources.....	\$ 126,900,000	\$ 137,673,000	(7.8)%
Public Safety.....	\$ 124,599,000	\$ 102,101,000	22.0 %
State Courts.....	\$ 101,063,000	\$ 97,465,000	3.7 %

HIGHWAY CONSTRUCTION AND MAINTENANCE

	<u>Fiscal 2004</u>	<u>Fiscal 2003</u>	<u>Percent Change</u>
Major Funding Sources			
Motor and Special Fuel Taxes	\$ 326,088,000	\$ 321,162,000	1.5 %
Vehicle Registration and Permits ⁽¹⁾	\$ 81,690,000	\$ 79,379,000	2.9 %
Federal Funds ⁽²⁾	\$ 239,130,000	\$ 233,857,000	2.3 %
General Fund Transfers to Transportation Fund	\$ 150,000	\$ 669,000	(77.6)%
General Fund Transfers to Centennial Highway Fund	\$ 59,595,000	\$ 48,795,000	22.1 %
Major Transportation Expenditures			
Highway Construction ⁽³⁾	\$ 471,030,000	\$ 433,628,000	8.6 %
Highway Maintenance	\$ 85,517,000	\$ 81,513,000	4.9 %
Local B&C Roads.....	\$ 110,222,000	\$ 114,361,000	(3.6)%

⁽¹⁾ Includes vehicle registration fees of \$19,633,000 and \$18,719,000 from the Centennial Highway Fund in fiscal years 2004 and 2003.

⁽²⁾ Includes federal funds of \$34,389,000 and \$42,753,000 from the Centennial Highway Fund in fiscal years 2004 and 2003.

⁽³⁾ Includes expenditures of \$197,630,000 and \$203,877,000 from the Centennial Highway Fund in fiscal years 2004 and 2003.

State of Utah Financial Highlights

Appropriations Limitation

By statute, the total of the amount appropriated from the General Fund plus the income tax revenues appropriated for higher education is limited to the growth in population and inflation. The limitations below reflect recent changes made by House Bill 66 during the 2004 General Session.

	<i>Fiscal 2005 ⁽¹⁾</i>	<i>Fiscal 2004</i>
Appropriations Limitation	\$ 1,955,887,100	\$ 1,856,205,000
Actual Appropriations ⁽²⁾	\$ 1,829,001,700	\$ 1,706,452,300
Under the Limit.....	\$ 126,885,400	\$ 149,752,700

(1) Preliminary – amounts may be adjusted by subsequent appropriations.

(2) By law, the appropriations do not include amounts for debt service, emergency expenditures, amounts from other than unrestricted revenue sources, transfers to Budget Reserve Accounts (Rainy Day Funds), capital developments meeting certain criteria, or appropriations to the Centennial Highway Fund.

General Obligation Bonds

Activity in Fiscal Year 2004–2005 to date

General Obligation Bonds Payable at June 30, 2004 (Net)	\$ 1,588,809,700
Principal Payment July 1, 2004.....	(136,285,000)
Additional Bonds Sold July 1 through November 30, 2004 (Net).....	150,430,600
Amortization of Premium and Deferred Amount on Refunding July 1 through November 30, 2004	(6,313,100)
General Obligation Bonds Payable at November 30, 2004 (Net)	<u>1,596,642,200</u>

Constitutional Bonding Limit (1.5% of the total taxable property fair market value)

Additional Constitutional Bonding Capacity ⁽¹⁾	<u>\$ 1,051,472,400</u>
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Statutory Bonding Limit (45% of the fiscal year 2005 Appropriations Limitation)

Bonds Subject to Limitation (Net)(\$962,238,000 of net highway bonds are exempt).....	\$ 880,149,200
Additional Statutory Bonding Capacity ⁽¹⁾	<u>(635,947,800)</u>

The State of Utah's Triple/Triple Bond Rating is the best possible

Fitch	AAA
Moody's	Aaa
Standard & Poor's	AAA

(1) The State has an additional \$46,796,900 in bonds authorized but not issued, which when sold will reduce bonding capacity.

Status of Selected Funds

Fiscal Year 2004

School Trust Fund

This is a permanent fund established by the State Constitution. Certain investment earnings are paid to the Uniform School Fund for the support of public schools. The remaining income is reinvested to build balances in the School Trust Fund and enhance future earnings.

Beginning Fund Balance	\$ 374,456,000
Income from Land Use	36,689,000
Gain on Sale of Land.....	8,196,000
Change in Fair Value of Investments.....	39,567,000
Ending Fund Balance	<u>\$ 458,908,000</u>

*Investment Income Paid to
Uniform School Fund* \$ 9,577,000

Budget Reserve Accounts (Rainy Day Funds)

The Budget Reserve Accounts combined can retain up to a maximum of 6% of the combined General Fund and Uniform School Fund appropriations for a given fiscal year. The combined maximum limit is \$214,382,000.

General Fund Budget Reserve Account

Beginning Reserve Balance	\$ 26,546,000
Investment Income	374,000
Transfers from General Fund.....	26,665,000
Ending Reserve Balance	<u>\$ 53,585,000</u>

Education Budget Reserve Account

Beginning Reserve Balance	\$ 601,000
Investment Income	5,000
Transfer from Uniform School Fund..	12,667,000
Ending Reserve Balance	<u>\$ 13,273,000</u>